Econometrics I, ECON 371

Department of Economics

St. Francis Xavier University

Fall 2016

Instructor: Teng Wah LEO

Time Blocks and Location: DP/PD (Tuesday, 12:45 p.m. - 2:05 p.m.; Thursday, 11:15 a.m. - 12:30 p.m.), SCHW252

Office Hours: Monday & Wednesday from 11 a.m. - 2 p.m.

Objective: The course is designed to introduce students to the methodology of Econometrics as a whole subfield in Economics dedicated to measurement of both market and social occurrences. The structure of the course is in three facets, 1. Basic Statistical Ideas, 2. Computational Aspect of Econometrics, particularly the use of STATA statistical software, and 3. Intuition behind Econometrics, and its place in Economics. The course will be pitched at the applied level as a first course in Econometrics. Students are nonetheless expected to be proficient in Calculus and basic Statistics. **Prerequisites: MATH 111, MATH 112 & STAT 231.**

Evaluation: There will be five equally weighted take home tests, each of which will include both theoretical, and applied elements. All assignments must be submitted on time promptly.

Required Text:

Jeffrey M Wooldridge. Introductory Econometrics: A Modern Approach, 6th edition, Mason, Ohio: Thomson South-Western (JW)

Supplementary Reading:

Orley Ashenfelter, David J. Zimmerman and Phillip B. Levine. Statistics and Econometrics : Methods and Applications, 1st edition, New York : J. Wiley (AZL)

Course Outline:

1. What is Econometrics? (JW Chapter 1; AZL Chapter 1) 1 Week
2. Introduction to Probability Theory & Mathematical Statistics. (JW Appendix A to C; AZL Chapters 2-6) 3 Weeks
3. Estimation & Hypothesis Testing. (Course Notes; AZL Chapters 7-8) 2 Weeks
4. Gauss Markov Assumptions & Ordinary Least Squares (OLS) Regression. (JW Chapters 2-4; AZL Chapters 9-11) 2 Weeks
5. OLS Regression & STATA. (Course Notes) 3 Weeks
6. Estimation Issues with OLS (JW Chapter 6) 2 Weeks